

Half Year Consolidated Financial Report

For the half year ended
31 December 2023

Pure Hydrogen Corporation Limited
ABN 27 160 885 343



Directors' Report

The Directors of Pure Hydrogen Corporation Limited (ASX: PH2) ("the Company" or "Pure Hydrogen") present their report, together with the consolidated Financial Report of Pure Hydrogen and its controlled entities for the half-year ended 31 December 2023.

The Directors

The names of the directors and company secretary of Pure Hydrogen during and since the end of the half year are:

Hon. Adam Giles – Non Executive Chairman
Mr Scott Brown (*B. Bus, M.Com*) – Managing Director
Mr Ron Prefontaine (*B.Sc.*) – Non Executive Director
Mr Lan Nguyen (*B.Sc., M.Sc.*) – Non Executive Director

Company Secretary

Mr Ron Hollands (*B. Bus., M.B.A*) - Company Secretary

Principal and development activities

Pure Hydrogen is a clean energy company focused on building a holistic hydrogen ecosystem — covering all sections of the market from production to end-use — in Australia and around the world.

The Company's dual strategy involves developing a network of clean hydrogen production facilities across Australia while supplying the market with multiple fuel cell products such as trucks, buses and generators.

As part of this, the Company has adopted a capex-light strategy focused on a partnership approach for vehicle production and delivery, supported by production 'microhubs' at targeted infrastructure sites.

In the short-term it will focus on developing green hydrogen production plants (in modular form) located close to customers. Following this, in the medium-term, Pure Hydrogen is planning to roll out emerald and turquoise hydrogen production facilities.

As it stands, Pure Hydrogen is positioning itself to become a leader in the hydrogen space, through the below developments.

Corporate:

- Pure Hydrogen remains well-funded with cash of \$8.564 million as of 31 December 2023;
- Appointment of The Honourable Adam Giles, former Chief Minister of The Northern Territory, as Non-Executive Independent Chairman of the Board; and,
- \$125 million funding facility partner identified, allowing Pure Hydrogen to lease vehicles and supply hydrogen on long term contracts.

Hydrogen Products:

- Building a portfolio of products it is delivering to market, including buses, prime movers, garbage trucks, and generators;
- Eight firm vehicle orders in Australia and the United States, which will be delivered to customers in 2024;

- Extensive testing carried out for two flagship hydrogen vehicles — a waste removal truck for JJ's Waste & Recycling — and a prime mover for food & beverage conglomerate PepsiCo — ahead of pending regulatory approval in accordance with ADR (Australian Design Rules); and
- Once the-above-mentioned vehicles are approved by regulators, Pure Hydrogen will be able to deliver these vehicles to the market at scale.

Hydrogen production:

- Turquoise hydrogen production facility is anticipated to begin a commercial demonstration plant in Q2 CY24 – Pure Hydrogen has a 40% non-diluted interest in this company; and
- Plans to begin producing green hydrogen via an electrolyser in CY24.

With hydrogen production and the delivery of vehicles to customers planned for 2024, Pure Hydrogen is in a strong position to continue to advance its mission of becoming a leader in Australia's hydrogen industry.

See below a more detailed overview of the projects Pure Hydrogen progressed over the half year.

Entry to North American hydrogen market: Purchase order for hydrogen fuel cell electric vehicles (HFCEV)

As part of the ongoing development of its HFCEV manufacturing capacity and the distribution of its vehicle fleet, Pure Hydrogen's majority owned subsidiary, Hdrive International ("Hdrive") confirmed its entry into the North American market during the half-year with a two-vehicle purchase order from a California-based dealership.

The deal, worth approximately US\$1.22 million, will see Hdrive supply a 6x4 50T prime mover and 54-seater coach (subject to conditions precedent) to hydrogen-specialist North American dealership, Nutcher Hydrogen.

The order is the first of its type for Hdrive in the North American market and represents a significant expansion opportunity. As a first-mover in the North American HFCEV industry, Nutcher Hydrogen's strategy is based on the hydrogen use-case for heavy commercial vehicles, where the weight requirements of electric battery vehicles become a hindrance to performance.

The vehicles manufactured by Hdrive will be custom-designed and made in accordance with United States Federal Motor Vehicle Safety Standards – the national regulations for design, construction, performance and safety.

The vehicles are slated for delivery to Nutcher Hydrogen following the completion of compliance testing. Due to importation compliance measures, the purchase order is subject to finalisation of the vehicle specifications to US-standards, homologation timeframes and acceptance at the final inspection.

Following delivery and regulatory clearance, Nutcher will use the two HFCEV's as demonstration vehicles to complement the ongoing development of its hydrogen refueling infrastructure.

The Company, majority owned Hdrive International received a further order of 2 Mini Buses in September 2023 (see ASX announcement 12 September 2023) and is on track to delivery these Buses shortly. The Buses are currently undergoing testing and will then have the signage of the Operator added before they go into service.

Strategic shift to a Capex-light hydrogen production development strategy

During the half-year, Pure Hydrogen also announced a strategic pivot with respect to its development strategy to build out a hydrogen infrastructure network to complement its first-mover advantage in vehicle manufacturing.

As part of the shift, the Company announced it will refocus its development efforts on capex-light hydrogen ‘micro-hubs’ that will have the capacity to effectively supply its growing fleet of vehicles with hydrogen in proximity to where the fuel is required. In other words to be focused on delivery close to the customer. This marks a shift away from its previous strategy to deploy significant capital investment to build large-scale production capacity for emerald and turquoise hydrogen.

Delivery of hydrogen vehicles

Trials are currently ongoing with the Taurus truck, Australia’s first Hydrogen Fuel Cell Prime Mover, which has been developed in conjunction with PepsiCo Australia and Hdrive.

Concurrently, the Company is also in the final stages of testing for the hydrogen fuel cell (HFC) powered waste removal truck commissioned by JJ’s Waste and Recycling

Both vehicles are nearing completion of their respective performance and testing program, which are being carried out in strict accordance with Australian Design Rules (ADR) – the national standards for road vehicle safety, anti-theft and emissions.

Once these vehicles are approved by regulators, Pure Hydrogen will be able to deliver them on a commercial scale as Hdrive has a secure and proven manufacturing partner.

Turquoise Group enters construction phase for its commercial demonstration plant

During the half-year, Pure Hydrogen confirmed that the Turquoise Group (“TG”) had taken delivery of key equipment for the construction of its commercial demonstration plant (“CDP”), targeting conversion of methane gas into hydrogen gas as a clean fuel and synthetic graphene products. Pure Hydrogen holds a strategic 40% stake in the TG, with exclusive long-term acquisition rights for hydrogen produced by TG in Australia.

Located in Brisbane, Queensland, the CDP is being developed by TG in collaboration with Plenesys, who has designed the HyPlasma technology process – a plasma-based technique used to convert methane gas into clean hydrogen and solid carbon products.

The international delivery of plasma-based methane pyrolysis equipment manufactured by Plenesys marks a major step forward in TG’s stated plan to develop and construct a commercial demonstration plant at its Brisbane facility and establish its position as a first mover in the emerging field of turquoise hydrogen production.

Since taking receipt of the pyrolysis equipment, the TG has advanced construction and commissioning of the project, which is targeted for completion in Q2 CY2024. The construction phase will be followed by a six-month intensive test program with the aim of optimising hydrogen production and advancing graphene production capabilities.

The TG’s hydrogen production facility in Brisbane is in line with Pure Hydrogen’s stated strategy to develop an interconnected hydrogen ecosystem supplying net-zero hydrogen fuel sources at scale.

To-date, the Company has prioritised a partnership approach with companies, such as TG and Plenesys, who have the technology and expertise to develop commercially viable solutions which are complemented by Pure Hydrogen’s advantage in selling and distribution.

Appointment of new Chairman

During the half year, Pure Hydrogen announced the appointment of The Honourable Adam Giles as Non-Executive Independent Chairman of the Board. Mr Giles initially joined the Pure Hydrogen Board in May as a Non-Executive Director.

His appointment as Non Executive Chairman formed part of an orderly transition in which Mr Ron Prefontaine elected to step down from the Chairman role and remain with the Company as a Non Executive Director.

As the former Chief Minister of The Northern Territory, Mr Giles brings a wealth of experience with major infrastructure projects and an intricate knowledge of the regulatory approvals process. With a long career managing major portfolios in energy, resources and infrastructure, Mr Giles is well-placed to guide the strategic direction of Pure Hydrogen's development pathway at the forefront of Australia's hydrogen industry.

Pure Hydrogen Gas Projects

In addition to its hydrogen business, Pure Hydrogen has three significant gas-based energy projects which represent significant value for shareholders. Pure Hydrogen has a net total 12.4 TCF of Prospective Gas Resources, 1,038 BCF of 3C and 548 BCF of 2C Contingent Gas Resources across its asset suite in Queensland and Botswana.

Serowe Gas Project

During the half-year, ASX-listed Botala Energy Limited (ASX: BTE) provided an update on flow testing at its Serowe-3 gas wells in Botswana. Pure Hydrogen has a 30% interest in the Serowe Gas Project together with a 16.49% interest in Botala Energy Limited (*refer ASX Announcement 17 January 2024*), the operator and owner of 70% interest in the Serowe Project.

During the half-year, Botala announced that the second pilot well of Project Pitse had been completed ahead of time and on budget. The Serowe-3.3 well was drilled to a Target Depth of 440m pursuing the highly prospective upper two coal seams with 24m of net coal in the Serowe and Upper Morupule seams.

Coals were first encountered at 342m, which is 21m higher than Serowe-3.1 located 700m to the NNE and Serowe-3.2 located 95m to the NE (see Figure 1). The height difference was determined to be due to a localised fault identified during geophysical surveys prior to drilling.

Project Pitse is Botala's first Commercial Pilot Project within the Serowe Coal Bed Methane gas project of 317bcf of independently certified 2C contingent resource. Methane gas was first flared on 4 September 2023, demonstrating the presence of methane gas brought to the surface from simple vertical wells.

Following completion of the 3.3 well, the drill rig was then relocated to Serowe-3.5 site. During the half-year, the Serowe-3.5 was drilled to a Target Depth of 476m, and intercepted 25m of net coal in the two highly prospective upper coal seams of the Serowe (13m) and Upper Morupule (12m) Formations and a further 11m of net coal in the Lower Morupule Formation.

Coals were first encountered at 344m, which is 17m higher than in Serowe-3.1 which is located 350m to the North (Figure 1). The height difference is due to a localised fault identified during geophysical surveys prior to drilling. Serowe-3.5 is the central well of the five-well system and should become Project Pitse's first production well.

As of the end of the half year, Botala was finalising drilling of the pilot cluster of 5 wells (Project Pitse) to accurately observe and measure gas flows and confirm commercial viability, along with a concept study for Project Pitse to progress to revenue generating gas production. If gas flows confirm economic viability, Botala is also undertaking planning works for the establishment of a 20MW hybrid gas/solar plant, to generate electricity for the Botswana power grid.

Windorah Gas Project

During the half-year, the Company lodged with the Queensland Government a renewal of the exploration 927 and a PCA application in respect of Windorah Project which covered a significant proportion of the current ATP927 acreage. The Company has spent significant amount defining a contingent gas resource on the Project of 330 Bcf 2C Continent Gas resource.

Project Venus Surat Basin Walloon CSG

Project Venus, permit ATP2051 is 100% owned by Pure Hydrogen. Project Venus contains high quality and very prospective acreage covering 154km² within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure including gas pipelines. There is significant coal in this permit and the Company believes it can turn these into significant gas resources.

Pure Hydrogen's Project Venus is located within the proven Walloon CSG Fairway and immediately adjacent to gas pipeline infrastructure in the Surat Basin. It offers relatively low risk and a lot of value with its 130PJ of 2C Contingent Gas Resources and 536 PJ of Prospective Gas Resources.

The estimates of contingent resources of the Upper Juandah Coal Measures within the Walloon Subgroup for Project Venus (ATP2051) following the drilling of Venus-1 pilot well is provided below:

Resources Category	PJ (Petajoules)
1C	87.7
2C	130.3
3C	157.9

Schedule of petroleum tenements

Project/Permit	Location	% Interest	Net Acres
Venus	Queensland, Australia	100%	38,054
Windorah Gas	Queensland, Australia	100%	259,460
Serowe CSG	Botswana	30%	264,568
ATP 1194 P	Queensland, Australia	100%	255,771
Total			817,853

Review of operations and financial position

The net cash balance is \$8.564 million at the end of 31 December 2023 and the Company had no debt as at 31 December 2023.

Pure Hydrogen recorded a consolidated loss of \$1,919,571 for the half year ended 31 December 2023 (2022: \$4,284,927 profit). Management continues to maintain a tight control on costs to allow available cash to be utilised on project development.

Dividends

No dividends have been declared or paid by the Company during the half year since the last annual reporting period.

Events occurring after reporting date

On 16 February 2024, the Company issued 3,318,679 ordinary classes shares (\$0.121 per share with \$401,560.16 being the total deemed consideration) in satisfaction of part of the Hdrive transaction (see ASX Announcement dated 28 July 2023) and services related to Hdrive.

No other matter or circumstance has arisen since 31 December 2023 other than state above which has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

Rounding

The consolidated result has applied to the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

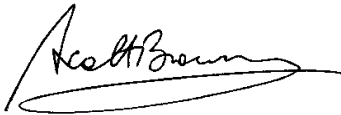
Auditor's Declaration

A copy of the auditor's independent declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report for the half year ended 31 December 2023.

This report is made in accordance with a resolution of Board of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Sydney, 15th March 2024

On behalf of the Directors



Scott Brown
Managing Director



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
Sydney NSW 2000

PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099

Email:
add3@addca.com.au
Website:
www.addca.com.au

**Auditor's Independence Declaration
Under Section 307c of The Corporations Act 2001
To the Directors of Pure Hydrogen Corporation Limited
ABN 27 160 885 343
And Controlled Entities**

I declare that, to the best of our knowledge and belief, during the half year ended 31 December 2023, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

A D DANIELI AUDIT PTY LTD

Sam Danieli

Sydney, 15 March 2024

PURE HYDROGEN CORPORATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated Half Year ended 31-Dec-2023 \$'000	Consolidated Half Year ended 31-Dec-2022 \$'000
Continuing operating			
Revenue	2	431	112
Research and development tax incentive		-	6,019
Profit from the sale of shares		-	-
Total revenue		431	6,131
Expenses			
Advertising, conferences and marketing		(247)	(161)
Depreciation and amortisation expenses		-	(4)
Consultant services		(116)	(78)
Foreign exchange losses		(211)	-
Impairment Expense		(175)	-
Insurance		(61)	(56)
Listing and share registry expenses		(75)	(135)
Employee benefits & expenses		(866)	(607)
Other operating expenses		(600)	(334)
Total expenses		(2,351)	(1,375)
Share of net profit/(loss) of associates accounted for using the equity method		-	(471)
Profit/ (Loss) from operating activities before income tax		(1,920)	4,285
Income tax expense		-	-
Other comprehensive income		-	-
Total comprehensive income for the half year		(1,920)	4,285
Earnings per share			
		Cents	Cents
Basic profit/ (loss) per share	6	(0.54)	1.23
Diluted profit/ (loss) per share	6	(0.54)	1.23

The above statement of financial performance should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	Consolidated As at 31-Dec-2023 \$'000	Consolidated As at 30-June-2023 \$'000
Current assets			
Cash and cash equivalents		8,564	12,602
Other assets		784	392
Trade & other receivables		619	115
Inventories		3,169	42
Total current assets		13,136	13,151
Non-current assets			
Property, plant & equipment		-	-
Exploration, evaluation & development assets	3(a)	13,355	13,134
Right-of-use assets		30	75
Investments in equity affiliates		-	2,253
Goodwill		1,312	-
Other investments	3(b)	5,222	4,812
Total Non-Current Assets		19,919	20,274
Total Assets		33,055	33,425
Current liabilities			
Trade & other payables		1,740	1,496
Deposit received		187	500
Provisions		204	266
Total Current Liabilities		2,131	2,262
Non-current liabilities			
Provisions		740	519
Deferred consideration		1,460	-
Total Non-Current liabilities		2,200	519
Total liabilities		4,331	2,781
Net assets		28,724	30,644
Equity			
Equity contribution	4	83,209	83,209
Reserves		47	50
Contributed surplus		30,060	30,060
Accumulated losses	5	(84,592)	(82,675)
Total Equity		28,724	30,644

The above statement of financial position should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Contributed equity	Reserves	Contributed Surplus	Accumulated losses	Total
Consolidated group	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance 1 July 2022	81,762	391	30,060	(83,852)	28,361
Profit for the financial period	-	-	-	4,285	4,285
Transactions with shareholders Issue of securities	-	37	-	-	37
Options exercised / forfeited	1,229	(206)	-	-	1,023
Options forfeited	-	(161)	-	161	-
Balance as 31 December 2022	82,991	61	30,060	(79,406)	33,706
Opening balance 1 July 2023	83,209	50	30,060	(82,675)	30,644
Profit for the financial period	-	-	-	(1,920)	(1,920)
Options forfeited	-	(3)	-	3	-
Balance as 31 December 2023	83,209	47	30,060	(84,592)	28,724

The above statement of changes in equity should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated Half Year ended 31-Dec-2023 \$'000	Consolidated Half Year ended 31-Dec-2022 \$'000
Cash flow from operating activities			
Interest & other income		431	102
Research and development tax incentive		-	5,971
Payments to suppliers		(1,864)	(1,195)
Net cash used in operating activities		(1,433)	4,878
Cash flow from investing activities			
Payments for hydrogen project development		(1,683)	(991)
Payments from property, plant and equipment		(998)	-
Receipts from investments		200	-
Payments for oil & gas assets		(124)	(43)
Net cash (used in)/provided by investing activities		(2,605)	(1,034)
Cash flow from financing activities			
Proceeds from the issue of securities		-	1,279
Net cash provided by financing activities		-	1,279
Net increase/(decrease) in cash held		(4,038)	5,123
Cash at the beginning of the period		12,602	9,532
Cash at the end of 31 December		8,564	14,655

The above statement of cash flows should be read in conjunction with the accompanying notes.

PURE HYDROGEN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2023

NOTE 1. Summary of significant accounting policies

A) Basis of preparation

The interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 "Interim Financial Reporting", and Accounting interpretations and other authorities pronouncements of Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

The interim financial report is intended to provide users with an update on the latest annual financial statement of the Company and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore, recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2023, together with any public announcements made during the following half year.

B) New Accounting Standards and interpretations

The accounting policies applied in these interim financial statements are the same as those applied in the Company financial statements for year ended 30 June 2023.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods. There are no standards issued but not yet effective that would have a material impact on the amounts recognised in the financial statements in the future.

	Consolidated As at 31-Dec-2023 \$'000	Consolidated As at 31-Dec-2022 \$'000
NOTE 2. Revenue		
Interest revenue	200	102
Sales	231	10
	<u>431</u>	<u>112</u>

	Consolidated As at 31-Dec-2023 \$'000	Consolidated As at 30-Jun-2023 \$'000
NOTE 3(a). Exploration, evaluation & development assets		
Opening balance	13,134	12,932
Expenditure during the period	221	1,202
Impairment provision	-	(1,000)
Closing balance	<u>13,355</u>	<u>13,134</u>

PURE HYDROGEN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2023

	Consolidated As at 31-Dec-2023 \$'000	Consolidated As at 30-Jun-2023 \$'000
NOTE 3 (b). Other investments		
Shares in listed companies	2,724	2,724
Shares in unlisted companies	2,498	2,088
Closing balance	5,222	4,812

	Consolidated No. of shares	Consolidated Capital \$'000
NOTE 4.		
Issued capital/shares		
Existing shares at beginning of the reporting period	356,249,721	83,209
Movement during the period	-	-
Balance at end of 31 December 2023	356,249,721	83,209
Costs of equity		-
Balance at end of 31 December 2023		83,209

	Consolidated As at 31-Dec-2023 \$'000	Consolidated As at 30-Jun-2023 \$'000
NOTE 5. Accumulated losses		
Accumulated losses at beginning of the period	(82,675)	(83,852)
Expiry of options	3	(234)
Net profit/ (loss) for the period	(1,920)	1,411
Accumulated losses at end of the period	(84,592)	(82,675)

	As at 31-Dec-2023 No. of shares	As at 31-Dec-2022 No. of shares
NOTE 6. Earnings per shares		
Weighted average number of ordinary shares used in calculating basic earnings per share:	356,249,721	346,984,721

	Consolidated As at 31-Dec-2023 \$'000	Consolidated As at 31-Dec-2022 \$'000
Net profit/(loss) after income tax attributable to shareholders	(1,920)	4,285
	Cents	Cents
Earnings per share	(0.54)	1.23
Diluted earnings per share	(0.54)	1.23

NOTE 7. Commitments

There have been no changes since the last annual reporting period.

PURE HYDROGEN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2023

NOTE 8. Interest in subsidiary

The consolidated financial statements include the financial statements of Pure Hydrogen Corporation Limited and its controlled entities:

Company	Place of Incorporation	Region where business carried on	% of Interest	Principal Activities
Real Energy Corporation P/L	Australia	NSW	100%	Oil & gas exploration
Real Energy Queensland P/L	Australia	QLD	100%	Oil & gas exploration
Pure Energy Corporation P/L	Australia	QLD	100%	Oil & gas exploration
Pure Hydrogen Australia P/L	Australia	QLD	100%	Hydrogen production
Pure Hydrogen Operations P/L	Australia	NSW	100%	Operational support
Pure Hydrogen International P/L	Australia	QLD	60%	Hydrogen production
Emerald Hydrogen P/L	Australia	QLD	100%	Hydrogen production
Caboolture Hydrogen P/L	Australia	NSW	100%	Hydrogen production
Turquoise Group P/L	Australia	QLD	40%	Hydrogen production
Hdrive International P/L	Australia	NSW	100%	Hydrogen vehicles
Eromanga Energy P/L	Australia	QLD	100%	Oil & gas exploration
Strata-X Australia P/L	Australia	QLD	100%	Oil & gas exploration
Strata-X, Inc.	USA	CO	100%	Oil & gas exploration

NOTE 9. Contingent assets and liabilities

The Group is not aware of any contingent assets or liabilities at the date of this report that have not been accounted for in the financial statements.

NOTE 10. Events occurring after reporting date

On 16 February 2024, the Company issued 3,318,679 ordinary classes shares (\$0.121 per share with \$401,560.16 being the total deemed consideration) in satisfaction of part of the Hdrive transaction (see ASX Announcement dated 28 July 2023) and services related to Hdrive.

No other matter or circumstance has arisen since 31 December 2023 other than state above which has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

NOTE 11. Segment reporting

The Company operates in one segment, being energy development in Australia and Botswana. Accordingly, under the management approach outlined only one operating segment has been identified and no further disclosure is required in the financial statements.

PURE HYDROGEN CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 31 December 2023

Note 12. Fair value measurement

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

	Level	As at 31 December 2023		As at 30 June 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash & cash equivalents	1	8,564	8,564	12,602	12,602
Other assets	1	784	784	392	392
Inventories	1	3,169	3,169	42	42
Trade & other receivables	1	619	619	115	115
Financial liabilities					
Trade & other payables	1	1,740	1,740	1,496	1,496
Deferred Consideration	1	1,460	1,460	-	-

The financial assets and liabilities of the Company are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 1 of this Report.

The Company considers that the carrying amount of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair value.

Note 13. Dividend

No dividends have been paid or declared by the Company during the half year since the last annual report period.

Note 14. Company details

The registered office and principal place of business of the Company is:
119 Willoughby Road, Crows Nest NSW 2065

PURE HYDROGEN CORPORATION LIMITED
ABN 27 160 885 343

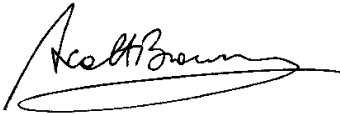
Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 16, are in accordance with the *Corporations Act 2001* and are in compliance with Accounting Standard AASB134 Interim Financial Reporting.
2. In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Sydney, 15th March 2024

A handwritten signature in black ink, appearing to read 'Scott Brown', with a large, sweeping underline.

Scott Brown
Director



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
Sydney NSW 2000

PO Box H88
Australia Square NSW 1215

ABN: 56 136 616 610

Ph: (02) 9290 3099

Email: add3@addca.com.au
Website: www.addca.com.au

**Independent Auditor's Review Report
To the Members of Pure Hydrogen Corporation Limited
ABN 27 160 885 343
And Controlled Entities**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year consolidated financial report of Pure Hydrogen Corporation Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors of Pure Hydrogen Corporation Limited (the company) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Pure Hydrogen Corporation Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the company for the half-year ended 31 December 2023 included on the website of Pure Hydrogen Corporation Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pure Hydrogen Corporation Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusions

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pure Hydrogen Corporation Limited and controlled entities is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

A D DANIELI AUDIT PTY LTD



Sam Danieli
Director

Sydney, 15 March 2024

